

2 provide money transfer services to Mexico, South and
3 Central America, Philippines, India, and some other
4 Southeast and South Asian countries. [REDACTED] they
5 have an extensive network of agents, so they provide the
6 technology to different agents. It could be a
7 convenience store, and they also have digital channels.
8 That's really the two main channels that they have to
9 really get this remittance volume. America's technology
10 is used across thousands of locations in the U.S., and
11 [REDACTED] -- and this is just an image. In this doc, you
12 can all see a link to the [REDACTED] experience done by
13 [REDACTED] a really good way to see how [REDACTED] actually goes
14 through that whole remittance process.

15 So, [REDACTED] is their digital site, and
16 [REDACTED] also has a really extensive network of agent
17 locations. The largest payout quarter by far for
18 [REDACTED] is Mexico; they're one of the top providers
19 of remittances into Mexico. And really the reason why
20 they are the preferred provider is that they have a
21 really high reach of payout outlets in Mexico, and
22 that's something that in the Mexican market is super
23 critical, getting access to the full payout outlets.
24 And [REDACTED] use case with Ripple and ODL was for
25 internal treasury payments between their U.S. and

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1 Mexican corporate accounts. For [REDACTED] because
2 Mexico is such a huge corridor for them, it just makes
3 sense for them to have an account in Mexico, and you
4 know they were attracted to ODL because of the
5 competitive FX rates and the higher availability. And
6 this is something that is super interesting, even the
7 fact that, you know, through ODL they can make payments
8 over weekends at all hours. That's a huge value to
9 [REDACTED] when they are sending so much flow and so
10 much money to Mexico.

11 So, here's a little dive in which you can see
12 another pretty cool story on how their volume has grown
13 over time, and again, [REDACTED] actually have this
14 largest uptick in new customer acquisition as customers
15 flock to digital initiation channels. So, it's really
16 cool that [REDACTED] has both the agent and the digital
17 channels, and they have (audio interference) through
18 this whole pandemic. They've actually seen a huge
19 uptick, and you know one of the things that we have done
20 with [REDACTED] that is something that we're doing
21 because we need to kind of manage as we launch XRPO and
22 sell XRP to the market, we also want to manage the
23 supply a little more. And so, we have -- [REDACTED] is
24 looking to actually, you know, increase their potential
25 of sending money, and that's something that we're really

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1 working with them on. And you know a lot of initiatives
2 that we're working on the internal side to make sure
3 that customers like [REDACTED] can increase their
4 volume. Questions?

5 [REDACTED] Yeah, some good questions. I think I
6 can answer some of these and then open up to you if you
7 anything to add. [REDACTED] asked a great question. [REDACTED]
8 question is, "I understand that MGI is moving away from
9 treasury use case, and as a result, their ODL volume
10 will go down temporarily. How much reduction in volume
11 from MGI are we expecting in the upcoming months, and
12 would you expect to see volume starting again?" Great
13 question, [REDACTED] So, a couple things and I think this
14 is important for the group to know. MGI really wasn't
15 the one who initiated the move away from treasury
16 payments. It was really a strategic on our part to
17 reorient that relationship away from something that was
18 not sustainable and not sticky towards something that
19 would derive significant volume and value to the
20 network.

21 So, going back to the cost discussion we had
22 earlier on the exchange-to-exchange model when Ripple is
23 incentivizing the partner and paying for the FX, that
24 becomes very expensive, and there isn't necessarily a
25 clear path to sustainability on that particular model.

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1 So, that's why we're so excited about XRPO because you
2 can scale volumes indefinitely if you can get a business
3 model that is self-reinforcing and recurring. The
4 caveat there is we need to understand the effects on
5 supply and our inventory of XRP to make that work, and
6 we're going to talk about that in a little bit. To
7 directly answer your question, [REDACTED] we have seen an 85
8 percent -- and this was part of the deal we struck with
9 them -- 85 percent reduction in total value over that
10 corridor, and also a -- but the transactions are
11 remaining fairly constant because the size of the
12 payment has decreased, and the transactions are
13 constant.

14 So, the volume number is down, and the
15 transactions are fairly constant. When we start to see
16 the ramp up again, well, they're some things we need to
17 work at on the XRPO side, but if we can get them on
18 XRPO, that would be a massive win. And the other piece
19 is for the cash as a service, that's what the CaaS
20 stands for; that will really be a receiving team aspect
21 that they're running that we're really looking forward
22 to channeling our sending volume into. I don't have a
23 great date on that. Last I heard -- if (phonetic) is

24 on, he can answer in the chat. But last I heard we were
25 looking at like August-September to get that up and

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1 running. Don't take that as gospel though. I hope that
2 answered your question, [REDACTED] If it didn't, put it in
3 the side chat.

4 [REDACTED] (phonetic), have you guys modeled how
5 much customers save in FX differences between prefunding
6 a payout account several days in advance versus
7 prefunding every payment on demand? Great question,
8 [REDACTED] [REDACTED] actually gave us their cost, and believe
9 it or not, the biggest cost wasn't necessarily the cost
10 of capital for like the 2 or 3 days they held it at the
11 exchange, but it was the wire transfer. It was the FX
12 transfer. It was the exchange fees on just funding that
13 account, so there was a ton of other things just beyond
14 the cost of capital that added up to -- I don't know if
15 you have it on the top of your head, [REDACTED] but I think
16 it was like 15 basis points or ballpark around there.
17 Like it was a substantial cost, and that's not even the
18 cost of capital. So, that was very expensive. The cool
19 thing here, [REDACTED] is that we're not actually having --
20 well, the idea for most of our customers who want the
21 service, we're not going to have them fund every payment
22 on demand. We're going to go a step further than that,
23 and they're not going to fund the payment. We're going
24 to front them because we're going to sell them the XRP,
25 and then they're going to pay us back at a later date,

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1 which gives us the ability to make significant basis
2 points on that credit.

3 Now, there's significant risk there, and
4 that's why we've hired an individual to come join the
5 team early August who's going to help run a credit
6 program, so we can better price risk and account for it
7 and the book that we'll grow of that value. Okay.
8 Bosun, getting a lot of plus-ones here. "Historically,
9 we've talked exchanges as key infrastructure versus a
10 customer partner. Are we talking to exchanges about
11 wallet send/XRPT, and how is this likely to impact our
12 relationship with them, i.e., with volumes processed by
13 exchanges?" [REDACTED], do you want to take the role of
14 exchanges in XRPO-XRPT? Stated another way, are there
15 exchanges involved in those flows in any capacity or are
16 we no longer using exchanges?

17 [REDACTED] Yeah. That's a key point. You know
18 as we look at the -- the way I look at it is there's the
19 payment transaction, which there might not be an
20 exchange, especially as we go from XRPO to XRPT. The
21 actual settlement, the actual movement of money, is just

22 a single XRP transfer without any exchange conversions,
23 however when you look at the actual flow on XRPO, as
24 [REDACTED] mentioned, we need to manage that inventory. So,
25 we will be purchasing XRP, and we will be purchasing XRP

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1 from the open market, which is exchanges. And on the
2 receiving side, our XRP Termination partners need to
3 liquidate XRP, so it's just a matter of shifting from
4 the actual transactions where exchanges are into outside
5 the transactions kind of more on the peripherally. But
6 in that case, exchanges are still very critical to this
7 process, and they are still going to have that volume
8 come in through Ripple and through ODL. It's just not
9 within the transaction. So, it's just a little shift in
10 the flows.

11 [REDACTED] Thanks, [REDACTED] And (phonetic) has a
12 question. (Phonetic) question is, "Are we planning to
13 upgrade customers that started their projects with the
14 old ODL model to XRPO?" We are taking that on a case-
15 by-case basis right now. One of the things with XRPO is
16 that we sell XRP directly to these customers via XRP2,
17 and that means that we have to go through an onboarding
18 and VSA process to do due diligence on that partner that
19 we're going to sell the XRP to as part of their payment
20 flows. So, there is a smaller segment of customers who
21 we can ply the XRPO model, which may or may not cover
22 all of our old ODL models. Great, I think we made it
23 through the questions there. I'm going to move faster
24 through this because we've covered a lot of the ODL
25 strategies so far.

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1 One thing that you'll see is I got a little
2 note there that says wallet send, so we do have new
3 naming coming out. So, you can expect to start hearing
4 things like wallet send rather than XRPO in the future.
5 Do not be confused by that. So, the big thing that
6 we're excited about for H2 is that historically when we
7 were reliant on an exchange to do direct onboarding of
8 the customers, we could only really expose certain
9 corridors to send -- to sell XRPO to -- or excuse me --
10 ODL to because you had to go to the corridors where that
11 value existed. What's great is that geographically now
12 we can have a much wider footprint in the places that we
13 go and sell our process to without being hamstrung by
14 the fact that we may or may not have an exchange partner
15 in that market. That's a major step forward for us and
16 allows us to scale our sending customer footprint for
17 ODL a lot faster than we could historically.

18 This is all of course subject to our
19 partnership with the regulatory team to identify which

20 countries are on a green list versus those that we kind
21 of want to hold off on. So, that's it. On the customer
22 targeting piece, we have a very robust pipeline of
23 customers who want to use XRP Origination, but our real
24 focus right now is being good stewards of XRP. And I
25 don't know about you guys, but I want to have as much

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1 XRP on the balance sheet as possible because that is
2 incredible valuable, and the world is only starting to
3 see its value. So, a lot of the work that we're doing
4 is making sure that as we launch XRPO, that we have ways
5 of sourcing XRP from the open market rather than just
6 everything coming directly off our balance sheet. And
7 there's a large effort underway right now on the XRP
8 inventory management side that will allow us to have
9 tools within the product to make sure that not
10 everything comes from our balance sheet, and there's not
11 a supply issue as we facilitate these payments.

12 That really kicks into gear once we have the
13 recurring revenue model, and the way I think about it is
14 ODL is this positive P&L factory that for every XRP that
15 goes through it to facilitate a payment, we make money
16 on that transaction, and you don't necessarily have to
17 sell the XRP. So, you just cycle the digital asset
18 through this factory that's throwing off positive basis
19 points, and through loans, and stuff like that on a
20 recurring basis. So, big pipeline but it's really on us
21 to figure out some scaling things internally before we
22 can really rip the doors off this thing.

23 [REDACTED] One thing I think that is in here as
24 well that I think it's important to call out is we want
25 to make wallet send, which is a new marketing term for

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1 XRP, the default for ODL, and that doesn't mean the
2 exchange-to-exchange model goes away entirely, but it's
3 looked at on more of an exception case basis. I think
4 that's just one thing that I've heard internally as
5 something that is important that we want to call out,
6 and we can discuss further -- if you guys need, we can
7 definitely discuss that further.

8 [REDACTED] Cool. In the time left, [REDACTED] do you
9 want to -- well, I'll do the initiatives, and then we
10 can go through the roadmap here. So, here's what we're
11 looking at. For Q3, we want to do \$70 million of XRPO
12 volume, and that also includes the XRP sales through
13 this program. So, that's \$70 million in total volume.
14 We want to do two deferred invoicing deals, so we want
15 to sign two customers where we're earning an interest
16 rate from doing the advance of the XRP before they
17 actually have to pay us in capital. We want to get

three new senders live on XRPO. And here's a stretch goal that I'm really excited about, so we'll see if we can pull it off. We want to sign our first positive basis point deal over XRPO. Now, this is what we call a (phonetic) big hairy audacious goal, but we think we're in striking position, where with the right partner and the right deal mechanics, we can actually get the first partner who is driving revenue to the business through

these transactions, rather than being a negative margin as we talked about earlier.

And then also, this is a key thing that the sending team does and continues to work, and that is we continue to want to drive our fiat volume into those active and signed strategic clearing partners that today at least don't support XRP. So, that continues to be a piece of what we do. All right, [REDACTED] do you want to talk through scaling XRPO?

[REDACTED] Yes. So, I'll go through these a little quicker because we're running short on time, but really one of the main, in terms of roadmap that we will be driving, is how can we get -- really expand and improve that customer experience and offer a higher transaction quality, simplify the deferred invoicing, the funding processes. The first thing here and this again a huge cross-functional effort. In our iteration of XRPO as we launched with [REDACTED] and [REDACTED] these customers are still using exchanges and exchange XRP wallets to originate those transactions, and we believe that, you know, we can really improve that overall customer experience with some of the added functionality that exists with digital asset wallets directly. So, we have canvassed the number of providers, and we are in deep discussions right now partnering with our business

development team with BitGo. And we're working on that requirement amongst our engineering team with getting consultations from legal and compliance on how we can integrate directly with digital asset wallets, so both sending customers and receiving partners can make ODL payments directly on digital asset wallets.

The second thing, as we've highlighted throughout this presentation, is managing that inventory of XRP as we are getting that demand side and driving that demand side. We're partnering with our liquidity team to support these inventory management efforts, and really this comes around really giving detailed analysis of projections of what customers want to send and providing that to our inventory management teams, our finance teams, to really determine the right timing and

16 size of making those XRP purchases from the market. So,
17 again, that's really one of the most critical things
18 that we need in place before we can really scale XRP
19 sales through XRPO and XRPO in general, and we'll be
20 doing a lot of collaboration with our internal teams to
21 support those efforts.

22 Another thing that's super exciting is, you
23 know, our first two customers we have invoiced in U.S.
24 dollars, and we do want to expand this to non-USD
25 currencies. There's a lot of alignment we need to make

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1 with, you know, our compliance and finance teams. One
2 of things is important is XPR2 is the entity that's been
3 selling XRP to date. Their U.S. domiciled entity in the
4 U.S. -- there's only U.S. dollar accounts, so we do have
5 to receive funds in U.S. dollar. But we're looking at
6 different ways where we might take FX risk if invoicing
7 in another currency, and as we look at different
8 entities that may come online, there is potential to
9 open up multi-currency account and then also provide
10 customers with quotes in non-USD currencies, so they can
11 have more extending currencies that they can through ODL
12 and XRPO.

13 The final thing here just around XRPO and kind
14 of that base experience -- and this ties in a little bit
15 with deferred invoicing -- is commit to sell funding.
16 Right now, sort of that MBT rollout of this is a lot of
17 operational processes and manual processes that we have
18 put in place for requiring customers to email us
19 requests. We want to streamline a lot of this. We want
20 our finance operations team to be able to be powered
21 with the tools they need to fund wallets that are used
22 for XRPO in a more automated fashion, and we're
23 exploring different initiatives, for example, a web-
24 based UI workflow, so we can really help scale this
25 deferred invoicing across a number of customers. As

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1 [REDACTED] mentioned on deferred invoicing, one of the
2 strategy things that we're going to the market with,
3 even today, is customers will be invoiced on a daily
4 basis, and they will repay immediately. And if there's
5 any -- you know -- if they want anymore time, then we'll
6 associate a cost towards that, and a big part of this is
7 our deferred invoicing pricing strategy. And you know
8 we have actually made this higher which is super
9 exciting, and they will be helping to drive the pricing
10 and risk component because there's a risk component when
11 we're looking at deferred invoicing. And they're going
12 to help manage that.

13 On the experience side a couple things, first

one is we need to provide the functionality for daily invoicing. Today we have a process where invoicing is provided on a weekly basis, and we're looking to streamline that working with our engineering, finance, and data teams to enable daily invoicing. That's going to be super critical to really realize that pricing that we want to put in place. And kind of a stretch goal maybe for Q4 into Q1 is to automate repayment. So, we provide daily invoicing but integrating with a provider like a [REDACTED] to allow systematic repayment for XRP from our customers. That's something -- that's another initiative that we're looking at, and that really rounds

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1 out the XRPO and deferred invoicing.

2 I'll just go through the sender experience, so
3 that we can leave a couple minutes for questions at the
4 end. But again, another huge thing that I'm super
5 excited about is [REDACTED] just joined the team, and
6 he is going to be really driving RippleNet Home and the
7 onboarding aspect. And you know part of the sender
8 experience is really partnering with the onboarding team
9 and RippleNet Home team.

10 I think that's a huge thing that we hear from
11 senders is connecting to, you know, new counterparties,
12 adding more connections, making that process simpler,
13 onboarding onto Ripple.

14 So, really providing that feedback from
15 customers and working with the RippleNet Home team and
16 driving those initiatives to drive measurable impact to
17 the experience. And then finally for that, you know,
18 that learning of quality working with the receiver team
19 and the platform teams to really drive a more quality, a
20 higher-quality payout experience, especially around ODL
21 defining metrics for quality, working on the enhanced
22 return and reconciliation. You know by Q3 we hope to
23 have defined a baseline metric for receiver quality, and
24 we're going to work actively to drive that down once we
25 define that.

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1 [REDACTED] Cool. [REDACTED] thank you very much, and
2 I think we had some really good comments. [REDACTED] had a
3 good one about [REDACTED] and a positive basis point deal
4 would be an awesome win.

5 We definitely agree with you, so we are at
6 time, but we really hope you guys are as excited as we
7 are with the future here of actually driving a business
8 model that drives additional revenue to the firm.

9 So, we'll continue to work on this and please
10 dive into the receiver and the platform product stories
11 because you're going to see how this all connects across

12 the 5 pillars of product that we have. So, thanks for
13 everybody joining. Have a good rest of the day.

14 [REDACTED] Thanks everyone.

15 (End of video file.)

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